

P.S.C. Ky. No. 1

Cancels P.S.C. Ky. No. _____

STi Prepaid, LLC

of

30-50 Whitestone Expressway, Fourth Floor
Flushing, NY 11354

Rates, Rules and Regulations for Furnishing

INTRASTATE TELECOMMUNICATION SERVICES

AT

COMMONWEALTH OF KENTUCKY

FILED WITH PUBLIC SERVICE COMMISSION OF

KENTUCKY

ISSUED May 22,

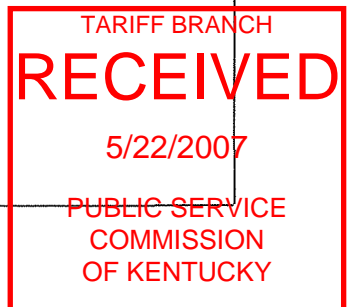
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EFFECTIVE May 22,

20 07

ISSUED BY STi Prepaid, LLC
(Name of Utility)

BY David Larsen



CHECK SHEET

Each sheet of this Tariff is effective as of the date shown at the bottom of the sheet. The revised sheets listed comprise all changes from the original Tariff that are in effect as of the date shown.

| <u>SHEET</u> | <u>REVISION</u> |
|--------------|-----------------|
| 1 | Original Sheet |
| 2 | Original Sheet |
| 3 | Original Sheet |
| 4 | Original Sheet |
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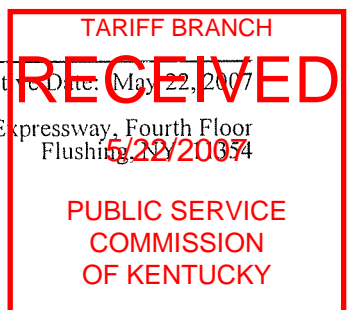
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STi Prepaid, LLC

FOR THE STATE OF KENTUCKY
P.S.C. KY. NO. 1
ORIGINAL SHEET 3

CHECK SHEET (continued)

| <u>SHEET</u> | <u>REVISION</u> |
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CHECK SHEET (continued)

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CONCURRING, CONNECTING OR
OTHER PARTICIPATING CARRIERS

None

SYMBOLS

The following are the only symbols used for the purposes indicated below:

- R - To signify reduction
- I - To signify increase
- T - To signify a change in text or regulation but no change in rate
- M - To signify matter moved to or from another location
- N - To signify new rate or regulation
- D - To signify discontinued rate or regulation

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TARIFF FORMAT

- A. Sheet Numbering - Sheet numbers appear in the upper right corner of the sheet. Sheets are numbered sequentially. However, new sheets are occasionally added to the Tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.
- B. Sheet Revision Numbers - Revision numbers also appear in the upper right corner of each sheet. These numbers are used to determine the most current sheet version on file with the Commission. For example, the 4th Revised Sheet 14 Cancels the 3rd Revised Sheet 14.
- C. Paragraph Numbering Sequence - There are six levels of paragraph coding. Each level of coding is subservient to its next higher level:
- 2.
 - 2.1
 - 2.1.1
 - 2.1.1(A)
 - 2.1.1(A).1
 - 2.1.1(A).1.a
- D. Check Sheet - When a filing is made with the Commission, an updated Check Sheet accompanies the filing. The Check Sheet lists the sheets contained in the Tariff, with a cross reference to the current revision number. When new sheets are added, the Check Sheet is changed to reflect the revision.

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SECTION 1 - TECHNICAL TERMS AND DEFINITIONS

For the purposes of this Tariff, the following technical terms and abbreviations will apply.

AATU: AATU stands for Average Annual Total Usage.

Access Line: An Access Line is a transmission line from either the LEC's or the DUC's Point-of-Presence (POP) to the Customer's Premise(s) used to transmit voice and data calls.

ANI: ANI stands for Automatic Number Identification.

Applicant: Applicant is any entity or individual who applies for Service under this Tariff.

Application for Service: The Application for Service is the standard Company order form which includes all pertinent billing, technical, and other descriptive information which will enable the Company to provide a communication Service(s) as required.

Authorization Code: An Authorization Code is a code in numbers or letters employed to gain access to Service(s).

Authorized User: An Authorized User is a person, firm, corporation or other entity that either is authorized by the Customer to receive or send communications or is placed in a position by the Customer, either through acts or omissions, to send or receive communications.

Business Customer: A Business Customer is a Customer whose use of the Services is for a business, professional, institutional, or occupational purpose. Any employee of a Business Customer who subscribes to the Service for his or her home telephone will also be classified as a Business Customer.

CAP: CAP is an acronym for Competitive Access Provider.

Cardholder: Cardholder is the associate, member, Customer or other individual that uses the Company's Prepaid Calling Card Service.

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SECTION 1 - TECHNICAL TERMS AND DEFINITIONS

CLEC: CLEC stands for Competitive Local Exchange Carrier

Company: Company refers to STi Prepaid, LLC

Commission: Commission refers to the Public Service Commission of Kentucky.

Customer: A Customer is the person, firm, corporation, governmental unit or other entity which orders Service -- either for its own use, as a resale carrier, or as a non-profit manager of a sharing group --and which is responsible for the payment of charges and for compliance with this Tariff. If an entity orders Service in more than one city or requests the assignment of multiple account numbers, each such account is a separate Customer for billing purposes. The term Customer also includes an entity that (1) remains presubscribed to Service after its account(s) are removed from Company's billing system, and subsequently continues to use Service, or (2) otherwise uses Service for which no other Customer is obligated to compensate the Company.

Customer Premise(s) / Customer's Premise(s): Customer Premise(s)/ Customer's Premise(s) locations are designated by a Customer where Service is originated/terminated.

DUC: DUC is an acronym for Designated Underlying Carrier.

End User: End User is the person or legal entity which uses the Service provided by the Company.

F.C.C.: F.C.C. stands for Federal Communications Commission.

InterLATA Call: An interLATA call is any call that originates in one LATA and terminates in a different LATA.

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SECTION 1 - TECHNICAL TERMS AND DEFINITIONS

IntraLATA Call: An intraLATA call is any call that originates and terminates within the same LATA.

IXC: IXC stands for Interexchange Carrier.

LATA: LATA is an acronym for Local Access Transport Area which is a geographic boundary, within which the LEC provides communications services.

LEC: LEC is an acronym for Local Exchange Carrier.

NPA: NPA literally stands for Numbering Plan Area but is more commonly referred to as an area code.

NXX: NXX represents the first three digits of a Customer's telephone number.

PIC: PIC stands for Primary Interexchange Carrier.

PIN: PIN stands for Personal Identification Number.

Platform: Platform is the proprietary technology and associated computer equipment that is used in conjunction with Prepaid Calling Card Service(s).

Point-of-Sale: Point-of-Sale is the location at which the Cardholder purchases the Prepaid Calling Card.

POP: POP is an acronym for Point-of-Presence. A POP may be (a) the central office of the DUC; (b) a location where the LEC or CLEC hands off the traffic of the Company's Customers to the DUC; or (c) the location where the Customer's facility interconnects with the DUC.

Prepaid Calling Card: Prepaid Calling Card Service allows a Customer to purchase a predetermined amount of access to the Company's long distance Services prior to the use of Service. Prepaid Calling Cards are also called debit cards.

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SECTION 1 - TECHNICAL TERMS AND DEFINITIONS

P.S.C.: PSC stands for Public Service Commission.

Reseller: Reseller denotes a Customer that resells the Company's service(s).

Service: Service consists of any telecommunications service provided by the Company pursuant to this Tariff.

State: State refers to the Commonwealth of Kentucky.

Switched Access: If the Customer's location has a transmission line that is switched through the LEC or CLEC to reach the network of the DUC, the access is switched.

Switched Services(s): Switched Services(s) are any Services that are described in this Tariff.

Underlying Carrier: Underlying Carrier refers to any interexchange carrier that provides long distance services resold by the Company pursuant to this Tariff.

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SECTION 2 - RULES AND REGULATIONS

2.1 Application of Tariff

This Tariff contains the description, regulations, and rates applicable to intrastate InterLATA and intrastate IntraLATA telecommunications Service offered by STi Prepaid, LLC with principal offices at 30-50 Whitestone Expressway, Fourth Floor, Flushing, NY 11354. The Company's Services are provisioned via the DUC.

2.2 Limitations Of Service(s)

- 2.2.1 Services are offered subject to the availability of facilities and/or equipment from the DUC, the Company's ability to provision the order at the time the Applicant or Customer orders Service, and the provisions of this Tariff. The Company reserves the right, without incurring liability, to refuse to provide Service, to or from any location where the necessary facilities, equipment, systems, and/or switch software are not available.
- 2.2.2 Pre-Subscribed Service begins on the date that billing becomes effective and is provided on the basis of a minimum period of at least one month, twenty-four (24) hours per day.
- 2.2.3 Service will be provided until canceled by the Customer pursuant to Section 2.9 of this Tariff or suspended or terminated by the Company pursuant to Section 2.10 of this Tariff.
- 2.2.4 The Company, when acting at the Customer's request and, as its authorized agent, will make reasonable efforts to arrange for Service requirements such as special routing, route diversity, alternate access, or circuit conditioning.
- 2.2.5 All services are interstate offerings, but the Customer has the option to use the services to place intrastate calls. Intrastate Service is only available if the Customer subscribes to the Company's comparable interstate service offering.

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SECTION 2 - RULES AND REGULATIONS

2.2 Limitations of Services (continued)

- 2.2.6 Calls that may not be completed using the Company's Prepaid Calling Card service include operator services, busy line verification service, interruption service, calls requiring time and charges, air-to-ground calls, marine/satellite calls, and calls placed via dialing a 700, 800/888, or 900 number.
- 2.2.7 If the Company learns that an Applicant is attempting to sell, barter, trade, or otherwise transfer a toll-free inbound telephone number to another person, the Company may refuse to establish Service.
- 2.2.8 The availability of toll-free numbers from the Company is limited by the Company's ability to obtain toll-free numbers from the DUC.
- 2.2.9 The Company reserves the right to refuse to process calls when the Authorization Code or PIN cannot be validated.

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SECTION 2 - RULES AND REGULATIONS

2.3 Liabilities of the Company

- 2.3.1 The Company's liability will be limited to that expressly assumed in Section 2.3 of this Tariff.
- 2.3.2 With respect to the Switched Services contained herein and except as otherwise provided herein, the liabilities of the Company for damages arising out of mistakes, omissions, interruptions, delays, errors or defects occurring in the course of furnishing Service hereunder and not caused by the negligence or intentional acts of the Customer will in no event exceed an amount equivalent to the initial period charge to the Customer according to this Tariff for the call during which such mistake, omission, interruption, delay, error or defect in the course of furnishing Service hereunder occurs, except in cases of willful misconduct by the Company.
- 2.3.3 The Company will not be liable to the Customer for damages or be obligated to make any adjustment, refund or cancellation of charges unless the Customer has notified the Company in writing of any dispute concerning charges, or the basis of any claim for damages, within sixty (60) calendar days after an invoice is rendered or a debit is effected by the Company for the call giving rise to such dispute or claim. Any such notice must set forth sufficient facts to provide the Company with a reasonable basis upon which to evaluate the Customer's claim or demand.
- 2.3.4 No agents or employees of connecting, concurring or other participating carriers or companies will be deemed to be agents or employees of the Company without written authorization.
- 2.3.5 The failure to give notice of default, to enforce or insist upon compliance with any of the terms or conditions herein, the waiver of any term or conditions herein, or the granting of an extension of time for performance by the Company or the Customer will not constitute the permanent waiver of any term or condition herein. Each of the provisions will remain at all time in full force and effect until modified in writing.

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SECTION 2 - RULES AND REGULATIONS

2.3 Liabilities of The Company (continued)

- 2.3.6 The Company is not liable for any damages the Customer may incur as a result of the unlawful or fraudulent use or use by an unauthorized person of the Service(s).
- 2.3.7 Interruptions, delays, errors, or defects caused by or contributed to, directly or indirectly, by act or omission of Customer or its customers, affiliates, agents, contractors, representatives, invitees, licensees, successors or assigns or which arise from or are caused by the use of facilities or equipment of Customer or related parties will not result in the imposition of any liability whatsoever upon the Company, and Customer will pay to the Company any reasonable costs, expenses, damages, fees or penalties incurred by the Company as a result thereof, including costs of Local Access Providers' labor and materials. In addition, all or a portion of the Service may be provided over facilities of third parties, and the Company will not be liable to Customer or any other person, firm or entity in any respect whatsoever arising out of defects caused by such third parties.
- 2.3.8 The Company is not liable for any failure of performance hereunder due to causes beyond its control, including, but not limited to:
- (A) Unavoidable interruption in the working of transmission facilities including but not limited to fire, explosion, vandalism, cable cut, or other similar occurrence; or
 - (B) Natural disasters such as storms, fire, flood, or other catastrophes; or
 - (C) Any law, order, regulation, direction, action or request of the United States Government, or any other governmental entity having jurisdiction over the Company or of any department, agency, commission, bureau, corporation or other instrumentality of any one or more of such governmental entity, or of any civil or military authority; or

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SECTION 2 - RULES AND REGULATIONS

2.3 Liabilities of The Company (continued)

2.3.8 (continued)

- (D) National emergencies, insurrections, riots, rebellions, wars, strikes, lockouts, work stoppages, or other labor difficulties, supplier failures, shortages, breaches or delays, unlawful acts of individuals including acts of the Company's agents, contractors, and employees if committed beyond the scope of their employment, or preemption of existing Services to Restore Service in compliance with Part 64, Subpart D, Appendix A, of the FCC's rules and regulations; or
- (E) Notwithstanding anything in this Tariff to the contrary, the unlawful acts of individuals, including acts of the Company's agents and employees if committed beyond the scope of their employment.

2.3.9 The Company is not liable for:

- (A) Damages caused by the negligence or willful misconduct of the Customer; or
- (B) The use or abuse of any Service described herein by any party including, but not limited to, the Customer's employees or members of the public. "Use or abuse" includes, but is not limited to, any calls placed by means of PBX-reorigination or any other legal or illegal equipment, Service, or device. In the case of Inbound Service, this also applies to third parties who dial the Customer's toll-free inbound number by mistake; or
- (C) Compensation for any injury the Customer may suffer due to the fault of parties other than the Company must be sought from such other parties; or

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SECTION 2 - RULES AND REGULATIONS

2.3 Liabilities of The Company (continued)

2.3.9 The Company is not liable for: (continued)

- (D) Any act or omission of any other company or companies furnishing a portion of the Service(s) or facilities or equipment associated with such Service(s).
- (E) Any action, such as blocking, discontinuing, or interrupting Service(s) by the Company of all traffic or traffic to or from certain NPA-NXXs, certain countries, cities, or individual telephone stations for any Service offered under this Tariff in order to control fraud or non-payment; or
- (F) Any defacement of, or damage to, the equipment or premises of a Customer resulting from the furnishing of Services when such defacement or damage is not the result of the Company's negligence. The Customer will indemnify and hold harmless the Company from any claim of the owner of the Customer's premises or other third party claims for such damages.
- (G) Any other direct, indirect, consequential, special, actual, or punitive damages, or for any lost profits of any kind or nature whatsoever arising out of any furnishing of, or interruption in, Service provided hereunder, absent a determination of willful misconduct by judicial or administrative proceedings. With respect to any Services provided hereunder, the Company hereby expressly disclaims, without limitation, all warranties not stated in this Tariff, whether express, implied or statutory, and in particular disclaims all implied warranties of merchantability and fitness for a particular purpose.

2.3.10 Acceptance by the Commission of the liability provisions contained in this Tariff does not constitute its determination that the limitation of liability imposed by the Company should be upheld in a court of law, but the recognition that, as it is the duty of the courts to adjudicate negligence claims and rights to recover damages therefor, so it is the duty of the courts to determine the validity of the exculpatory provisions of this Tariff.

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SECTION 2 - RULES AND REGULATIONS

2.4 Use of Service

- 2.4.1 The Services offered herein may be used for any lawful purpose, including business, governmental, or other use. There are no restrictions on sharing or resale of Services. However, the Customer remains liable for all obligations under this Tariff notwithstanding such sharing or resale and regardless of the Company's knowledge of same. The Company will have no liability to any person or entity other than the Customer and only as set forth herein. The Customer will not use nor permit others to use the Service in a manner that could interfere with Services provided to others or that could harm the facilities of the DUC or others.
- 2.4.2 Upon nonpayment of any sum owing to the Company, or upon a violation of any of the provisions governing the furnishing of Service under this Tariff, the Company may, upon written notification to the Customer, without incurring any liability, discontinue the furnishing of such Service. The Customer will be deemed to have canceled Service as of the date of such disconnection and will be liable for any cancellation charges set forth in this Tariff. If the Customer uses 10XXX or other carrier access codes once the Customer's account has been canceled by the Company, the Customer is a Customer of the DUC not the Company.

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2.4 Use of Service (continued)

2.4.3 Service furnished by the Company may be arranged for joint use or authorized use. The joint user or Authorized User will be permitted to use such Service in the same manner as the Customer, but subject to the following:

- (A) One joint user or Authorized User must be designated as the Customer. The designated Customer does not necessarily have to have communications requirements of its own. The Customer must specifically name all joint users or Authorized Users in the application for Service. Service orders which involve the start, rearrangement, or discontinuance of joint use or authorized use Service will be accepted by the Company only from that Customer and will be subject to all regulations of this Tariff.
- (B) All charges for the Service will be computed as if the Service were to be billed to one Customer. The joint user or Authorized User which has been designated as the Customer will be billed for all components of the Service and will be responsible for all payments to the Company. In the event that the designated Customer fails to pay the Company, each joint user or Authorized User will be liable to the Company for all charges incurred as a result of its use of Service(s). Each joint or Authorized User must submit to the designated Customer a letter accepting contingent liability for its portion of all charges billed by the Company to the designated Customer. This letter must also specify that the joint or Authorized User understands that the Company will receive a copy of the guaranty from the designated Customer. The Customer will be responsible for allocating charges to each joint user or Authorized User.

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SECTION 2 - RULES AND REGULATIONS

2.4 Use of Service (continued)

2.4.4 Services are furnished subject to the condition that there will be no abuse or fraudulent use of the Services. Abuse or fraudulent use of Services includes, but is not limited to:

- (A) Use of Services to transmit a message or to locate a person or otherwise to give or obtain information, without payment of the applicable charge; or
- (B) Obtaining, or attempting to obtain, or assisting another to obtain or to attempt to obtain Services by rearranging, tampering with, or making connection with any Services components of the Company or of the DUC, or by any trick, scheme, false representation, or false credit device, or by or through any other fraudulent means or device whatsoever, with intent to avoid the payment, in whole or in part, of the charge(s) for such Services; or
- (C) Use of the Service of the Company to send a message or messages, anonymous or otherwise, in a manner reasonably expected to frighten, abuse, torment, or harass another; or
- (D) Use of Services in such a manner as to interfere unreasonably with the use of Services by one or more other Customers.

2.4.5 The Customer may not use Services provided under this Tariff for any unlawful purpose.

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SECTION 2 - RULES AND REGULATIONS

2.5 Obligations of the Customer

2.5.1 The Customer will indemnify and hold harmless the Company against:

- (A) Claim(s) for libel, slander, infringement of patent or copyright, or unauthorized use of any trademark, trade name or service mark arising out of the material, data, information, or other content transmitted via Service(s); or
- (B) Violation(s) by the Customer of any other literary, intellectual, artistic, dramatic, or musical right, or other content transmitted via the Service(s); or
- (C) Violation(s) by the Customer of the right to privacy; or
- (D) Claim(s) of patent infringement arising from combining or connecting Company's facilities or the facilities of the DUC with apparatus and systems of the Customer; or
- (E) All lost or stolen travel cards except as described in Section 2.18 of this Tariff; or
- (F) Any other rights whatsoever relating to or arising from message content or the transmission thereof; or
- (G) All other claims arising out of any act or omission of the Customer in connection with any Service.
- (H) Defacement of, or damage to, the premises of a Customer resulting from the furnishing, installation, and/or removal of Channel facilities or the attachment of instruments, equipment, and associated wiring on or from the Customer's Premises; or

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SECTION 2 - RULES AND REGULATIONS

2.5 Obligations of the Customer (continued)

2.5.1 (continued)

- (I) Claims arising out of the use of Services or associated equipment in an unsafe manner (such as use in an explosive atmosphere) or the negligent or willful act of any person other than the Company; or
- (J) All lost or stolen calling cards or Prepaid Calling Cards; or
- (K) Any and all liabilities, costs, damages, and expenses (including attorney's fees), resulting (1) from Customer (or its employees's agent's or independent contractor's) actions hereunder, including, but not limited to breach of any provision in this Tariff, misrepresentation of Company Services or prices to End Users of Customers, or unauthorized or illegal acts of the Customer, its employees, agents, or independent contractor; or (2) from claims by third parties that any Prepaid Calling Cards or PINs have been lost, stolen, or fraudulently issued or used; provided, however, that the Company will have no liability hereunder for special or consequential damages incurred by the Company; (3) or in the event that the Company chooses to have another company print their Prepaid Calling Cards, Company cannot be held liable for delays of delivery or any other problem that are directly to the third party.

2.5.2 In the event parties other than Customer (e.g., Customer's customers) will have use of the Service directly or indirectly through Customer, then Customer agrees to forever indemnify and hold the Company and any affiliated or unaffiliated third-party provider or operator of facilities employed in provision of the Service harmless from and against any and all claims, demands, suits, actions, losses, damages, assessments or payments which may be asserted by said parties.

2.5.3 Upon the Customer's receipt of Company Prepaid Calling Cards, the Customer will assume all risk of loss or misuse of such Prepaid Calling Cards.

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2.5 Obligations of the Customer (continued)

- 2.5.4 Customer will not use the Company name or any service mark or trademark of the Company or refer to the Company in connection with any product, equipment, promotion or promotional material, or publication, contracts, or bills, etc. of the Customer without the express prior written approval of the Company.
- 2.5.5 The Company's failure to provide or maintain Service under this Tariff will be excused by the Customer for all circumstances beyond the Company's reasonable control.
- 2.5.6 The cancellation of Service by the Customer pursuant to Section 2.9 of this Tariff or discontinuance or suspension of Service(s) by the Company pursuant to Section 2.10 of this Tariff does not relieve the Customer of any obligations to pay the Company for charges due and owing for Service(s) furnished up to the time of discontinuance. The remedies set forth herein will not be exclusive and the Company will at all times be entitled to all rights available to it under either law or equity.
- 2.5.7 The Customer is responsible for payment for all long distance calls originated at the Customer's number(s), terminated on the Customer's 800 number, billed to the Customer's travel card or authorization code, accepted at the Customer's number, or incurred at the specific request of the Customer. The Customer is responsible for paying all Services the Company provides to or from the Customer's number(s), regardless of whether the Customer's facilities were used fraudulently.
- 2.5.8 The Company may rely on LECs or other third parties for the performance of Services such as Local Access. Upon Customer request and execution and delivery of appropriate authorizing documents, the Company may act as agent for Customer in obtaining such other Services. Customer's liability for charges hereunder will not be reduced by untimely installation or non-operation of Customer-provided facilities and equipment.

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2.5 Obligations of the Customer (continued)

- 2.5.9 The Customer will indemnify and save the Company harmless from any and all liability not expressly assumed by the Company in Section 2.3 of this Tariff and arising in connection with the provision of Service to the Customer, and will protect and defend the Company from any suits or claims alleging such liability, and will pay all expenses (including attorneys' fees) and satisfy all judgements which may be incurred by or rendered against the Company in connection therewith.
- 2.5.10 The Customer is responsible for the payment of all charges for Service(s) provided under this Tariff and for the payment of all assessments, duties, fees, surcharges, taxes, or similar liabilities whether charged to or against the Company or the Customer. This includes but is not limited to amounts the Company is required by governmental, quasi-governmental, or other entities to collect and/or to pay to designated entities. The Company may adjust its rates and charges or impose additional rates and charges on its Customer in order to recover these amounts. Unless specified otherwise herein, if an entity other than the Company (e.g., another carrier or supplies) imposes charges on the Company in connection with a Customer's Service, that entity's charges will be passed through to the Customer. The Customer is responsible for the payment of all such charges.
- 2.5.11 The Customer may not use Services provided under this Tariff for any unlawful purpose.

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2.6 Obtaining Service

2.6.1 Application for Service

To obtain Pre-subscribed Service, the Company requires the Customer to complete an application for service which includes the letter of agency or other authorization it deems appropriate. No application is required for non-primary Service or Pre-Paid Calling Card Service.

2.6.2 Establishment of Credit

(A) Applicant

The Company reserves the right to examine the credit record and check the references of all Applicants and Customers. The Company may examine the credit profile/record of any Applicant prior to accepting the Service order. These will not in themselves obligate the Company to provide Services or to continue to provide Services, if a later check of Applicant's credit record is, in the opinion of the Company, contrary to the best interests of the Company.

(B) Customer

If the conditions of Services or the basis on which credit was originally established have materially changed, an existing Customer may be required to establish additional credit. The Company reserves the right to examine the credit record and check the references of any Customer at any time.

2.6.3 Deposits

The Company does not collect deposits for the provision of intrastate Service.

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2.7 Rendering and Payment of Bill

2.7.1 General

Bills are sent to the Customer's billing address as shown on their account no later than forty five (45) days following the close of billing. The billing period is a month. Charges are payable only in United States currency. Checks should be made payable as named on the bill and should be sent to the address as listed on the bill. Charges may be assessed for unbilled traffic for up to two years in arrears. Usage charges are billed monthly in arrears.

2.7.2 Methods Of Payment

The Company may utilize direct billing and LEC billing. The selection of the billing option is made by the Company.

(A) Direct Billing By Company Or Authorized Billing Agent

- .1 Call detail is included with the bill. The due date is disclosed on the bill. Payment in full is due within twenty-two (22) days of the invoice date on the bill.
- .2 If the bill is not paid within thirty (30) days from the invoice date, the Company may impose a late charge of 1.5% per month on the delinquent amount. The penalty will be assessed only once on any bill for service rendered in accordance with 807 KAR 5:006, Section 8 (3) (h). The late payment penalty charge will not be assessed on unpaid penalty charges. Any payment received will first be applied to the bill for services rendered.

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2.7 Rendering and Payment of Bill (continued)

2.7.2 Methods Of Payment (continued)

(B) LEC Billing

With LEC billing, the Customer's charges for Service(s) are billed with the Customer's bill for local service. Call detail is included with the bill. If LEC billing is utilized, the rules and regulations applying to rendering and payment of the bill and late charges are the same as covered in the applicable LEC tariff. The Company will make every effort to post any credit due to the Customer account(s) on the Customer's next LEC bill. However, based on the date of the resolution of a dispute and the date credits must be provided to the LEC, it may be two billing cycles before a credit will be issued.

2.7.3 Past Due Payments

In the event the Company incurs fees or expenses in collecting, or attempting to collect, any charges owed the Company, the Customer will be liable to the Company for the payment of all such fees and expenses reasonably incurred.

2.7.4 Right to Backbill for Improper Use of Company's Services

Any person or entity which uses, appropriates or secures the use of Services from the Company, whether directly or indirectly, in any unlawful manner or through the providing of any misleading or false information to Company and which use, appropriation, or securing of Services is inconsistent with the stated uses, intents, and purposes of this Tariff or any restriction, conditions, and limitations stated herein, shall be liable for an amount equal to the accrued and unpaid charges that would have been applicable to the use of Company's Services actually made by Customer. In addition, Company shall be entitled to recover an amount equal to a late payment fee of 1.5 percent per month for the period(s) for which such charges would have been payable.

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2.7 Rendering and Payment of Bill (continued)

2.7.5 Billing Format

Bills rendered to Customers by the Company contain the following information:

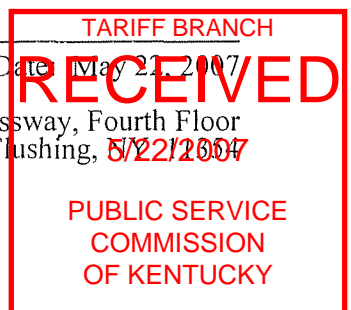
| | |
|--|--------------------------|
| Date of Bill Rendering | Company Name |
| Company Address | Company toll free number |
| Service Dates | Due Date |
| Past Due Date | Current Amount Due |
| Call duration | Call Type |
| Total Charges per Call | Taxes |
| Total Charges for Company Services | |
| Date and Time of Each Call | |
| Past Due Amount (if applicable) | |
| Past Due Penalties (if applicable) | |
| Originating Location Telephone Number and Terminating Number | |

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2.8 Customer Service

2.8.1 General

The Company's name and toll-free number appear on the bill. Customer Service may be contacted in writing at 30-50 Whitestone Expressway, Fourth Floor, Flushing, NY 11354. Customers may also contact Customer Service by dialing toll-free (888) 784-8750. Customer Service representatives are available from 9 a.m. to 9 p.m. business days for normal billing and service questions (888) 784-8750. For Cardholders subscribing to Prepaid Calling Card Service or travel card Service, the toll-free number is printed on the card. For Customers subscribing to all other Services, the toll-free number is printed on the Customer's bill.

2.8.2 Billing Inquiries

Billing inquiries may be referred to the Company's customer service organization as indicated in Section 2.8.1 of this Tariff. If the Customer is not satisfied with the Company's resolution of a billing inquiry, the Customer may make application to the Commission for review and disposition of the matter. The address is: Kentucky Public Service Commission 211 Sower Boulevard, P.O. Box 615, Frankfort Kentucky 40602-0615. The toll free number is (800) 772-4636.

2.8.3 Service Difficulties

Service difficulties may be referred to the Company's customer service organization, as indicated in Section 2.8.1 of this Tariff above.

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2.9 Cancellation of Service By Customer

A Customer may cancel Service by giving prior written or verbal notice to the Company. Such notice should be addressed to the Company's Customer Service organization at the address specified in Section 2.8.1 of this tariff.

2.10 Termination of Service By Company

2.10.1 Conditions Under Which the Company May Refuse or Terminate Service

- (A) For noncompliance with the Company's tariffed rules or Commission regulations. However, the Company will not terminate service without having made a reasonable effort to obtain Customer compliance. Service will be refused or terminated after the Company has given the Customer or Applicant at least ten (10) days' written notice.
- (B) For dangerous conditions. The Company will notify the Customer immediately in writing and, if possible, orally, of the reasons for the termination or refusal. The notice shall include the corrective action to be taken by the Customer before Service can be restored or provided.
- (C) For noncompliance with state, local or other codes. The Company will terminate Service only after ten (10) days' written notice in accordance with 807 KAR 5:006, Section 14 (1) (e), unless ordered to terminate Service immediately by a governmental official.
- (D) For nonpayment of bills from the Company. The Company will terminate Service only after five (5) days' written notice, unless ordered to terminate immediately by a governmental official. Under no circumstance will Service be terminated in less than twenty (20) days' after the mailing of the original unpaid bill.

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2.10 Termination of Service By Company (continued)

2.10.1 Conditions Under Which the Company May Refuse or Terminate Service (continued)

- (E) For illegal use or theft of Service. The Company may terminate Service to a Customer without advance notice if the Company has evidence that a Customer has obtained unauthorized Service by illegal use or theft. Within twenty-four (24) hours after such termination, the Company will send written notification to the Customer of the reasons for termination of Service, and of the Customer's right to challenge the termination by filing a formal complaint with the Commission.

2.10.2 Conditions Under Which the Company Will Not Terminate Service

- (A) The Company will not terminate Service if payment for Services is made. Following receipt of a termination notice for nonpayment but prior to actual termination of Service, there is delivered to the Company payment of the amount in arrears, Service will not be terminated.
- (B) The Company will not terminate Service if a payment agreement is in effect. Service will not be terminated for nonpayment if the Customer and the Company have entered into a partial payment plan and the Customer is in compliance with that agreement.

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2.11 Interruption of Service

2.11.1 General

It is the obligation of the Customer to notify the Company of any interruption in Service for which a credit allowance is desired. Before giving such notice, the Customer will ascertain that the interruption is not being caused by any action or omission by the Customer within his control, or is not in wiring or equipment, if any, furnished by the Customer.

2.11.2 Prepaid Calling Card Calls

Credits will not be issued for cut-off, poor transmission, or wrong number.

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2.12 Taxes and Assessments

- 2.12.1 In addition to the charges specifically pertaining to the Services, certain federal, state, and local surcharges, taxes, gross receipts, and fees will be applied to these Services. These taxes, surcharges, and fees are calculated based upon the amount billed to the End User for Service(s). All federal, state, and local taxes, surcharges, and fees (i.e., sales tax, gross receipts tax, municipal utilities tax, etc.) are listed on the Customer's invoices, and unless otherwise specified herein, are not included in the rates listed in this Tariff. For Prepaid Calling Card Service, the per minute rate shown in Section 4 of this Tariff is inclusive of all surcharges, taxes, and fees except for Point-of-Sale ("sales") taxes.
- 2.12.2 Unless otherwise specified herein, all stated charges in this Tariff are computed by the Company exclusive of any assessments, duties, fees, surcharges, taxes, or similar liabilities levied against the Company by governmental, quasi-governmental, or other entities such as federal, state, or local government. Such assessments, duties, fees, surcharges, taxes, or similar liabilities shall be paid by the Customer in addition to the charges stated in this Tariff. All such charges shall be shown as a separate line item on the Customer's bill.
- 2.12.3 Pending the conclusion of any litigation challenging a jurisdiction's or body's right to impose any assessments, duties, fees, surcharges, taxes, or similar liabilities, the Company may elect to waive or impose and collect a charge covering such assessments, duties, fees, surcharges, taxes, or similar liabilities, unless otherwise constrained by court order or direction. All such charges will be shown as a separate line item on the Customer's bill. If the Company has collected any assessments, duties, fees, surcharges, taxes, or similar liabilities and any of the challenged assessments, duties, fees, surcharges, taxes, or similar liabilities are found to have been invalid and not enforceable, the Company will credit or refund such sums to each affected Customer if (1) the Company has retained such funds or (2) the Company has remitted such funds to the collecting jurisdiction or body and the funds have been returned to the Company.

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2.12 Taxes and Assessments (continued)

- 2.12.4 In order to be granted exemption status, a Customer claiming exempt status must provide the Company with copies of all relevant exemption certificates and documents required by the Company. New Customers are required to provide the requested documentation at the time Service is ordered. Failure to provide the required documentation at the time Service is ordered will result in all assessments, duties, fees, surcharges, taxes, or similar liabilities (as described in Section 2.5.10 of this Tariff) being levied by the Company on the Customer's Service. The Customer will be responsible for the payment of all such charges.
- 2.12.5 Failure to provide the required documentation at the time Service is ordered will also result in all taxes as noted herein being levied by the Company on the Customer's Service, and the Customer will be responsible for the payment of all such charges. At the Company's option, the Company may accord the Customer tax exempt status upon receipt of the required documentation after Service is ordered. However, the Customer will be billed for all applicable taxes and responsible for the payment of same until such time as the Company has ceased billing the applicable taxes. The Customer will also be billed for all applicable assessments, duties, fees, surcharges, or similar liabilities as described in Section 2.5.10 of this Tariff. The Company is not liable for refunding the amount of the taxes paid the Customer. The Customer is responsible for seeking refunds for such taxes from the appropriate taxing authority. Failure to pay the appropriate taxes prior to tax exempt status being accorded by the Company will result in termination of Service. In the event taxes are erroneously paid the Company is not liable for refunding any such payments to the Customer. The Customer is responsible for seeking refunds for such taxes from the appropriate taxing authority. Failure to pay the appropriate taxes prior to tax exempt status being accorded by the Company will result in termination of Service.
- 2.12.6 Failure to pay the appropriate assessments, duties, fees, surcharges, taxes, or similar liabilities prior to exempt status being accorded by the Company will result in termination of Service.

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2.13 Obligations of a Reseller

- 2.13.1 In addition to the obligations contained in Section 2.5 of this Tariff, the obligations contained in Sections 2.13.2 through 2.13.14 of this Tariff apply to Customers that are Resellers. Failure to comply with any term, rule, or regulation of this Tariff may result in the Company terminating service(s) without incurring any liability. Notification of termination of service(s) may be done in person or in writing.
- 2.13.2 In addition to the other provisions in this Tariff, Resellers will be responsible for securing and maintaining all necessary state authorizations and tariffs and F.C.C. tariffs for operating as a Reseller and for complying with the rules and regulations as set forth by the Commission. Further, the Reseller also assumes full responsibility for complying with the Communications Act of 1934, as amended; the Telecommunications Act of 1996; and the rules, regulations, and decisions of the F.C.C.
- 2.13.3 If the Customer resells services, the Reseller is responsible for providing all billing, collection, and customer service functions under its own name for all of its Customers, including resolving any unauthorized presubscription disputes.
- 2.13.4 The Reseller must comply with state and federal regulations regarding PIC changes and required authorization from Applicant or Customer.
- 2.13.5 The Reseller will assume all responsibility for PIC disputes and complaints with the local exchange carriers.
- 2.13.6 The Reseller must agree to all credit and collection requirements established by the Company.

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2.13 Obligations of a Reseller (continued)

2.13.7 If the presubscription of any line of a Reseller is unauthorized, the Company may charge the Reseller for the unauthorized presubscription change charges plus all additional charges imposed and costs incurred. The Reseller is financially liable for all lines at all locations until such time as the lines and/or locations are presubscribed to a different IXC. In instances where the Reseller has presubscribed lines and/or locations to its service without proper authorization, the Reseller must:

- (A) Inform the premises owner/occupant at each location of the unauthorized change in IXCs; and
- (B) Insure that each such location is returned to the IXC of choice; and
- (C) Pay all applicable conversion charges.

2.13.8 The Reseller must assume all risk for bad debt.

2.13.9 In the event of non-payment by a Reseller's end user, the Company may be requested by the Reseller to block such end user's location because of non-payment of charges. The Reseller must certify that proper notice has been given to the premises owner/occupant at such location. Proper notice must meet state and federal rules for blocking service due to non-payment. The Reseller is responsible for all costs incurred to disconnect or block the location from service(s).

2.13.10 The Reseller must use their own product names which do not identify the Company's services and will refrain from using the Company's name in pre-sale activities.

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2.13 Obligations of a Reseller (continued)

- 2.13.11 Resellers will be responsible for paying all taxes, surcharges, and fees based upon the taxing jurisdiction's rules and regulations.
- 2.13.12 In addition to the other provisions in this Tariff, Resellers will be responsible for all interaction and interface with their own subscribers or customers. The provision of Service to a Reseller will not create a partnership or joint venture between the Company and the Reseller nor result in a joint offering to third parties.
- 2.13.13 A Reseller is required to give prior notice to the Company before termination or cancellation of service to a customer of the Reseller or before the Reseller's customer selects another long distance carrier. Notice to the Company may be verbal or in writing.
- 2.13.14 The Reseller is required to give prior notice to the Company before the effective date of the termination or cancellation of a term plan agreement between the Reseller and its customer.

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2.14 Timing of Calls

- 2.14.1 On Prepaid Calling Card calls, billing begins only when a starting and ending event both occur. Timing is calculated at the starting event and ends at the terminating event. If there is no terminating event, there is no charge. Time between the starting event and the terminating event is the call duration. The starting event occurs when the Platform experiences an incoming signaling protocol successfully, i.e., upon seizure of an inbound trunk. The terminating event occurs when the Platform receives a signal from the LEC that the calling party has terminated the call or when the special audio text and interactive voice response features of the Platform such as news, weather, voice mail, etc. have been accessed by the End User and completed. If the called party hangs up and the Customer re-originates one or more calls utilizing the interactive Platform program features without re-dialing the toll-free access number, the terminating event occurs when the Platform receives a signal from the LEC that calling party hangs up. If the End User of a Prepaid Calling Card call uses the conference feature, the third leg of the call is timed separately. Timing of the third leg of the call begins when the called station answers and terminates when the called station hangs up.
- 2.14.2 On direct-dialed calls, chargeable time begins when the called station answers and the connection is established between the calling station and the called station, miscellaneous common carrier, mobile radio system, or PBX system. Answer detection is determined on standard industry answer detection methods, including hardware and software answer detection. Chargeable times ends when the calling station hangs up thereby releasing the network connection. If the called station hangs up but the calling station does not, chargeable time ends when the network connection is released by the automatic timing equipment in the telecommunications network.

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2.15 Application of Charges

2.15.1 Timing Increments

Calls are billed in various timing increments depending on the Service subscribed to by the Customer. Each Service has its own specific initial period and additional period. Unless the length of the initial period and the additional period is otherwise specified in Section 3 of this Tariff, the initial period is one (1) minute or fraction thereof, and the additional period is each one (1) minute or fraction thereof. Fractions of a timing increment are rounded up to the next highest increment.

2.15.2 Rounding

(A) Payphone Surcharge

If the payphone surcharge includes a fraction of a cent, the fraction is rounded up to the next higher whole cent.

(B) Prepaid Calling Card Calls

If the Customer re-originates one or more calls without re-dialing the toll-free access number, timing of the usage is rounded at the end of the last call.

(C) All Usage-Sensitive Services

Usage charges apply to all completed calls. The usage charges for each completed call during a billing month will be computed. If the charge includes a fraction of a cent of \$.005 or more, the fraction is rounded up to the next higher whole cent. Otherwise, the charge is rounded down to the next lower whole cent.

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2.16 Transfer or Assignment

Prior written permission from the Company is required before Customers may assign or transfer any Service. All regulations and conditions contained in this Tariff and all other applicable Service conditions will apply to all such permitted assignees or transferees. After obtaining the Company's written consent, the Customer of record may assign or transfer the use of Service where there is no interruption or physical relocation. All terms and provisions contained in this Tariff will apply to any assignee or transferee. Services provided by the Company may not be transferred or assigned to a new Customer unless the following conditions have been met:

- (A) The Customer of record (assignor Customer) requests such assignment or transfer in writing at least forty-five (45) days prior to the effective date of any requested assignment or transfer; and
- (B) Prior written consent of the Company is secured. The Company agrees to respond to a request to assign or transfer to another Customer within thirty (30) days of receipt of notification; and
- (C) New Customer's (assignee Customer) credit is approved by the Company; and
- (D) The new Customer (assignee Customer) notifies the Company in writing that it agrees to assume all outstanding obligations of the former Customer for use of Service(s). These obligations include all outstanding indebtedness for the use of Service(s). Consent to such assignment or transfer will not be unreasonably withheld.

Any permitted assignment or transfer of Company' Service will not relieve or discharge any Customer from remaining jointly and severally liable with the new Customer for any obligations existing at the time of transfer or assignment.

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2.17 Agreements, Proposals, and Warranties

2.17.1 The applicable terms, rates, and conditions specified in this Tariff, before or after subscription, constitute the only agreement between the parties with respect to Service(s) to which the Customer has subscribed, or desires to subscribe. Statements (whether written or oral) may have been made about the Service(s) specified in this Tariff. Such statements, however, do not constitute warranties, shall not be relied upon by the Customer, and are not part of the parties relationship. All prior agreements, proposals, representations, or understandings concerning the Service(s) are also deemed superseded upon the Customer's subscription. The applicable Tariff sections constitute the complete and exclusive expression of the parties' relationship. These Tariff provisions may only be modified by: (1) a subsequent Tariff filing; or (2) a written agreement, signed by an authorized Company representative, which identifies both the Tariff provisions being modified or superseded, if applicable, and the specific nature of the change.

2.17.2 All implied warranties, including the implied warranty of merchantability, are disclaimed. The Company does not warrant that the Service(s) are fit for the particular purpose of the Customer. The Company makes no warranties with respect to the Service(s) other than that the Service(s) will conform to the description contained in the Tariff. Further Company liability will be such as described in Section 2.3 of this Tariff.

2.18 Lost Or Stolen Travel Card or PIN

Upon knowledge of facts which would alert a reasonable person to the possibility of unauthorized use of the Customer's travel card or PIN, the Customer will alert and give notice to the Company of such facts. Upon receipt of notice, the Company will deactivate the PIN associated with the card. If requested by the Customer, a new PIN will be issued to the Customer. The Customer will be excused from liability only with respect to unauthorized calls placed after receipt of such notice by the Company.

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SECTION 2 - RULES AND REGULATIONS

2.19 Changes to Service Offerings

The Company reserves the right to add, change, or delete DUCs at any time.

2.20 Restoration of Services

The use and restoration of services in emergencies will be in accordance with the priority system specified in Part 64, Subpart D of the rules and regulations of the Federal Communications Commission.

2.21 Promotions

The Company may from time-to-time engage in special promotional Service offerings designated to attract new Customers or to increase existing Customers awareness of a particular Tariff offering. The Company may offer special promotions to its Customers waiving certain charges or offering a special rate or a special Service. These offerings may be limited to certain dates, times, and/or locations. Details regarding a promotion will be filed with the Commission prior to the effective date of the promotion.

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SECTION 3 - DESCRIPTION OF SERVICES

3.1 Outbound Services - Switched Access

3.1.1 General

Unless otherwise stated in the Tariff, the method of provisioning a specific outbound Service is determined by the Company, and the selection of the DUC is made by the Company. Switched Access outbound Services are only available in equal access areas. The availability of each outbound Service is included in the description for that Service.

3.1.2 Switched Access Services

(A) Primary Interexchange Carrier Service

Primary Interexchange Carrier Service is a non-prepaid inter-LATA and intra-LATA toll service available to residential and business accounts, except hospitals, pay phones, hotels and inmate only facilities, that demonstrate sufficient credit-worthiness which is billed on the LEC bill. The Company serves as the Customer's Primary Interexchange Carrier ("PIC") for inter-LATA and intra-LATA toll service. Primary Interexchange Carrier Service customers are billed in arrears on a monthly basis.

The Customer may place calls only from a presubscribed switched access working telephone number where such access is made available at the sole discretion of the Carrier. Customers who select Primary Interexchange Carrier Service are billed in increments of one (1) minute.

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SECTION 3 - DESCRIPTION OF SERVICES

3.1 Outbound Services (continued)

(B) Non-Primary Interexchange Carrier Service

Non-Primary Interexchange Carrier Service is inter-LATA and intra-LATA toll service available to residential customers and businesses, except hospitals, payphones, hotels and in-mate only facilities, and residences that demonstrate credit-worthiness. Non-Primary Interexchange Carrier Service is available via the 1016400 access code. Billing for Non-Primary Interexchange Carrier Service is completed through the Customer's LEC. Non-Primary Interexchange Carrier Service Customers are billed in arrears. If the Customer uses a calling plan with a monthly recurring charge, that monthly charge is charged for every billing or calendar month in which a customer uses the service as defined by placing a call from a working telephone number.

Customers who select Non-Primary Interexchange Carrier Service are billed in increments of one (1) minute.

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SECTION 3 - DESCRIPTION OF SERVICES

3.1 Outbound Services (continued)

3.1.3 Dedicated Access Services

(A) Direct Access

Direct Access is an outbound only, long distance pricing plan for Customers that utilize Dedicated Access to reach the Company's switch or the DUC's POP. The Customer is responsible for obtaining the Dedicated Access required to provision this service. Direct Access is available to Business Customers. Calls are billed in six (6) second increments. There are three rate levels depending on AATU at the time the order for service is provisioned by the Company.

| Rate Level | AATU |
|------------|----------------------------------|
| 1 | Less Than \$50,000 |
| 2 | \$50,000 But Less Than \$100,000 |
| 3 | \$100,000 & Above |

If the Customer's average monthly usage decreases to below 50% of AATU, the Company reserves the right to change the Customer's rate level. For the purpose of determining average monthly usage, a partial billing month is not used in the calculation. Average monthly usage is calculated using a minimum of three full months' billing.

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SECTION 3 - DESCRIPTION OF SERVICES

3.2 Inbound 800 Services

3.2.1 General

All services are interstate offerings. Intrastate service is an add-on service available only if the Customer subscribes to the Company's interstate offering. Inbound service permits calls to be completed to the Customer's location without charge to the calling party. Access to the service is gained by dialing a ten digit telephone number, (800/888/877/866) NXX-XXXX, which terminates at the Customer's location.

3.2.2 Services Terminating Via Switched Access

(A) DA 800

DA 800 is an inbound only, long distance pricing plan. Calls are originated from any point in the state on any type of access but are terminated via Switched Access lines in the terminating city. DA 800 is available to Business Customers. Calls are billed in six (6) second increments with an initial period of thirty (30 Seconds).

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SECTION 3 - DESCRIPTION OF SERVICES

3.2 Inbound 800 Services (continued)

3.2.3 Services Terminating Via Dedicated Access

(A) DA Direct 800

DA Direct 800 is an inbound only, long distance pricing plan. Calls are originated from any point in the state on any type of access but are terminated via Dedicated Access lines between the Customer's premises and the Company's switch or the DUC's POP. DA Direct 800 is available to Business Customers. Calls are billed in six (6) second increments with an initial period of thirty (30) Seconds. There are three rate levels depending on AATU at the time the order for service is provisioned by the Company.

| Rate Level | AATU |
|------------|----------------------------------|
| 1 | Less Than \$50,000 |
| 2 | \$50,000 But Less Than \$100,000 |
| 3 | \$100,000 & Above |

If the Customer's average monthly usage decreases to below 50% of AATU, the Company reserves the right to change the Customer's rate level. For the purpose of determining average monthly usage, a partial billing month is not used in the calculation. Average monthly usage is calculated using a minimum of three full months' billing.

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SECTION 3 - DESCRIPTION OF SERVICES

3.3 Directory Assistance

3.3.1 Description of Service

Intrastate Directory Assistance involves the supplying of assistance in determining or attempting to determine the telephone number of a party.

3.3.2 Availability of Service

Directory assistance is available to any Customer that has access to the directory assistance bureau of the DUC. If a Customer with Switched Access calls directory assistance for a call within its area code, the call is handled by the LEC. If a Customer with Switched Access calls directory assistance for a call within the state but outside of its area code, the call is routed to the DUC for handling. Customers with Dedicated Access must program their PBX to route directory assistance calls over their Switched Access lines.

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SECTION 3 - DESCRIPTION OF SERVICES

3.4 Prepaid Calling Card Services

3.4.1 General

All Prepaid Calling Card services are interstate offerings with the Cardholder having the option of using the Prepaid Calling Card to place calls within the State.

3.4.2 Description of Service

The Company's Prepaid Calling Card service is a prepaid long distance service that allows Customer's to obtain a predetermined amount of access to the Company's long distance services. The card is a dollar based service, meaning there is a fixed amount of dollars (i.e., \$5, \$10, \$20, \$50, or some other denomination) available to the Customer who purchases a card.

Prepaid Calling Card service is offered via toll free access numbers and is available to a Cardholder from a touchtone phone. The Cardholder dials a toll-free number. The Cardholder hears recorded messages that guide the Cardholder through the Platform. The Platform validates the Cardholder's PIN, determines whether time remains on the card and, if so, completes the call to the called telephone number dialed by the Cardholder. The Cardholder is verbally informed of the available balance of the Prepaid Calling Card account.

Calls are real-time rated during call progression. The total price of each call, including applicable taxes, is calculated on the basis of usage and is deducted from the available account balance associated with each Prepaid Calling Card. The Platform debits the Cardholder's account balance as the Cardholders places a call. The Cardholder receives a warning tone one minute before the balance reaches zero. Calls in progress will be terminated when the balance reaches zero.

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SECTION 3 - DESCRIPTION OF SERVICES

3.4 Prepaid Calling Card Services (continued)

3.4.2 Description of Service (continued)

The Cardholder may access the network from anywhere in the State by dialing a universal toll free number, a PIN, and the called telephone number. A Prepaid Calling Card is not reusable once the usage has been exhausted. Calls are billed in one minute increments.

3.4.3 Availability

Prepaid Calling Cards are available to Residential Customers and Business Customers.

3.4.4 Features

(A) Instructions Available In Multiple Languages

The Company may make available to the Cardholder different toll free access numbers for instructions in English or Spanish, or other languages as appropriate.

(B) Sequential Calling

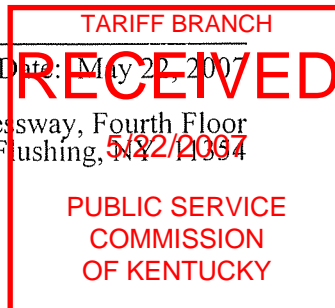
Sequential calling allows the Cardholder to make several calls without disconnecting from the Platform after the completion of each call.

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SECTION 4 - RATES AND CHARGES

4.1 Outbound Services

4.1.1 Primary Interexchange Carrier Service

The rate is \$0.0590 per minute.

The Monthly Recurring Charge is \$2.95

4.1.2 Non-Primary Interexchange Carrier Service

The rate is \$0.0590 per minute.

The Monthly Recurring Charge is \$0.99.

4.1.3 Direct Access

| Rate Level | Rate Per Minute |
|------------|-----------------|
| 1 | \$0.25 |
| 2 | \$0.25 |
| 3 | \$0.25 |

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SECTION 4 - RATES AND CHARGES

4.2 Inbound Services

4.2.1 DA 800

The rate is \$0.05 per minute.

4.2.2 DA Direct 800

| Rate Level | Rate Per Minute |
|------------|-----------------|
| 1 | \$0.05 |
| 2 | \$0.05 |
| 3 | \$0.05 |

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STi Prepaid, LLC

FOR THE STATE OF KENTUCKY
P.S.C. KY. NO. 1
ORIGINAL SHEET 53

SECTION 4 - RATES AND CHARGES

4.3 Directory Assistance

The charge is \$.60 per call.

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STi Prepaid, LLC

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P.S.C. KY. NO. 1
ORIGINAL SHEET 54

SECTION 4 - RATES AND CHARGES

4.4 Prepaid Calling Cards

is \$0.07 per minute.

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SECTION 4 - RATES AND CHARGES

4.5 Miscellaneous Charges

4.5.1 Return Check Charge

If a Customer's check is returned by the bank, the Company may charge the Customer a return check charge. The amount of the return check charge is \$15.00.

4.5.2 Payphone Surcharge

Pursuant to the FCC's Order in CC Docket 96-128, this surcharge applies only to dial-around calls, i.e., calls originating using a carrier's access code, a Customer's 800 and other toll-free numbers, calling cards, and prepaid phone card calls, from payphone instruments. This surcharge does not apply for 0+ call for which the payphone provider would otherwise receive compensation.

The Customer shall pay the Company a per call surcharge of \$0.30 per call for all such traffic.

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